



Investment Office

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September 16, 2005

AGENDA ITEM 3b

TO: MEMBERS OF THE INVESTMENT POLICY SUBCOMMITTEE

- I. SUBJECT:** Revision of Corporate Governance Fund Investment Vehicles – Externally Managed
- II. PROGRAM:** Global Equity
- III. RECOMMENDATION:** Approve the reading and recommend to the Investment Committee approval of the Statement of Investment Policy for Corporate Governance Fund Investment Vehicles – Externally Managed.

IV. ANALYSIS:

Broadening the opportunity set of the System's investment portfolio for achieving investment returns not available in traditional public markets investments is the strategic objective of investments in Corporate Governance Fund Investment Vehicles.

At the August 15, 2005 Investment Committee meeting, the Committee approved staff's delegation of authority to invest up to \$200 million dollars for individual investments in new Corporate Governance Active Strategies. Authority to invest in new Governance Funds will be subject to a favorable opinion from a consultant within a pool of Global Equity and AIM consultants.

Staff is bringing this revised Statement of Investment Policy for Corporate Governance Fund Investment Vehicles – Externally Managed back to incorporate this added discretion.

V. STRATEGIC PLAN:

This item supports Goal IV to assure that sufficient funds are available, first to pay benefits and, second to minimize and stabilize employer contributions.

VI. RESULTS/COSTS:

There are not costs associated with this item.

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Portfolio Manager

Christianna Wood
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Anne Stausboll
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Chief Investment Officer